Dear Mr. Seybert,

The Distributed Wind Energy Association (DWEA) appreciates the opportunity to comment on the October 16th E3 Scope and Method report for the upcoming Net Energy Metering Cost-Benefit Study. We offer the following comments:

1. We encourage the CPUC to do the extra legwork that will capture the performance metrics for small wind turbines on rural residences and farms in their three principal market areas so that they may be fairly evaluated along with PV. Approximately 300 small wind turbines up to 55 kW have been installed in clusters in San Bernardino, Los Angeles, and Solano counties, with the oldest installations going back over ten years. We do not believe the operating characteristics from the grid's perspective have been investigated or substantially considered in previous NEM studies. Since the wind resource in these areas seasonally coincides with peak demand patterns and wind systems often operate farther into the evening residential demand period, we would be interested to see if small wind's benefits are on par with solar, at least in the residential and farm sectors.

2. Net metering is available for solar up to 2 MW, but for wind only to 50 kW. This is not the result of a technical evaluation, but rather an artifact of the political power of the solar industry versus the small wind industry. We would like to see the wisdom of these vastly different limits examined on their technical and economic merits. We suspect that wind is being discriminated against, with the possible result that consumers are receiving distorted price signals and ratepayers are seeing higher costs. For reference, DWEA represents companies that install 1 – 2 MW turbines for on-site generation.

3. We would like to make sure that administrative costs for utilities paying out monthly checks for excess production, absent an NEM option, are carefully considered. PURPA and subsequent state and federal rulings have established that utilities must, as a minimum, pay for exported energy at the avoided cost. Our experience is that the meter reading, manual processing and check handling that utilities must perform outside their automated billing systems can cost much more than the difference between avoided costs and retail rates when small amounts of excess production are involved. Thus, NEM can be a least cost approach for utilities and ratepayers up to a certain size system.

DWEA stands ready to assist E3 and/or the CPUC in obtaining the technical information that would be needed to incorporate our requests. Again, we appreciate the opportunity to comment.

Sincerely,
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President, DWEA

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